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Government of India
Ministry of Petroleum & Natural Gas

New Delhi, Dated: 8th April, 1993

RESOLUTION

The Government of India, in the Ministry of Petroleum and Natural Gas have had under consideration, the need to have an appropriate agency to regulate and oversee the upstream activities in the petroleum and natural gas sector and also advise the Government in these areas. The Dasgupta committee, which had reviewed the management of the Bombay High reservoir, had recommended the creation of an autonomous conservation board to oversee and review that oilfield development conforms to sound reservoir engineering practices in line with national interests. The Kaul committee, which examined ONGC's organizational structure also recommended the establishment of an independent regulatory body called the Directorate General of Hydrocarbons.

2 Hitherto the upstream petroleum sector was largely a monopoly of public sector companies and this is now being increasingly lead to a number of new operating companies in the private and joint sectors entering the field. There would thus be a need to establish an agency that could effectively supervise the activities of all these companies in the national interest. Taking all the above into consideration Government of India have decided to set up a Directorate General of Hydrocarbons under the administrative control of the Ministry of Petroleum and Natural Gas.

3 The objective of the Directorate General of Hydrocarbons would be to promote sound management of the Indian petroleum and natural gas resources having a balanced regard for the environment, safety, technological and economic aspects of the petroleum activity.

4 The Directorate General shall have the following functions and responsibilities:-

- a) To provide technical advice to the Ministry of Petroleum and Natural Gas on issues relevant to the exploration and optimal exploitation of hydrocarbons in

- the country and on the strategy of taking up exploration and exploitation of oil and gas reserves abroad by the national oil companies;
- b) To review the exploration programmes of companies operating under Petroleum Exploration Liscences granted under the Oilfields (Regulation and Development) Act, 1948 and the Petroleum and Natural Gas Rules, 1959 with a view to advising Government on the adequacy of these programmes;
 - c) To reassess the hydrocarbon reserves discovered and estimated by the operating companies in discussion with them;
 - d) To advise the Government on the offering of acreage for exploration to companies as well as matters relating to relinquishment of acreage by companies.
 - e) To review the development plans for commercial discoveries of hydrocarbon reserves proposed by the operating companies and advise Government on the adequacy of such plans and the exploitation rates proposed and matters relating thereto;
 - f) To review and audit concurrently the management of petroleum reservoirs by operating companies and advise on any mid course correction required to ensure sound reservoir management practices in line with the optimal exploitation of reserves and the conservation of petroleum resources;
 - g) To regulate the preservation, upkeep and storage of data and samples pertaining to petroleum exploration, drilling, production of reservoirs etc. and to cause the preparation of data packages for acreage on offer to companies;
 - h) To advise Government on the laying down of safety norms and framing regulations on safety in oil field operations, prescribe pollution control measures and assist in inspection and periodic safety audit;
 - i) All other matters incidental thereto and such other functions as may be assigned by Government from time to time.
5. The Directorate General would have an Advisory Council, appointed by Government comprising a Chairman and members, who will be eminent persons in the field of oil exploration and production. The Advisory Council will be serviced by the Directorate which will be headed by a Director General who will also be the Member Secretary to the Council.
6. The Directorate General will be manned by such staff as the Ministry in consultation with the Director General decide and shall also be drawn from

the oil industry on deputation/tenure basis. The Director General will be appointed by Government on tenure/deputation basis and drawn from the oil industry/Government. Specialists from outside the oil companies, as considered necessary, may also be appointed as consultants/ advisers on contractual basis.

7. The expenditure of the Directorate General will be fully funded by grants from the oil Industry Development Board.
8. The headquarters of the Directorate General will be at New Delhi.

(NARESH DAYAL)

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